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OCTOBER 1979

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7th National Survey

PROFILING TODAY'S CONSUMER

- ELECTRONIC GAMES - SHORT AGAIN
- FOCUS ON FREEZERS
- PERSONAL CARE - SELLING A CONCEPT

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formerly Merchandising Week
A GRALLA PUBLICATION

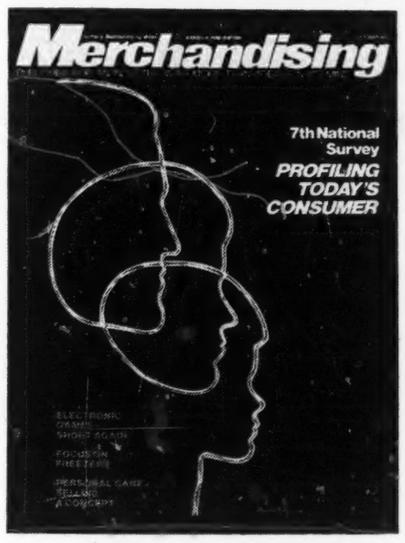
Merchandising

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

FOR OVER 60,000 READERS
51,000 RETAILERS

OCTOBER 1979

7th National Consumer Survey



Merchandising's current study of consumer attitudes—based on in-depth interviews with 1,020 consumers in all of the nation's nine demographic regions—is, in one sense, the latest in our series dating back to April 1976. But in another sense, it is a lot more.

In addition to responses on how consumers feel about buying VCRs, hifi, car stereo, food processors, microwave ovens, etc., there was an outpouring of strong feelings, perhaps echoing the general mood of the country, but certainly with a potential for impacting on our marketplace.

There is more in this survey than statistical tabulations, more that warrants close and careful reading, says Fred Gottesman, executive editor and analyst of the 1,020 reports.

18

Today's Consumer

52

Today's consumers, as revealed in this month's **RETAIL OPINION FILE,** aren't just more price conscious than they were a year ago. According to retailers surveyed throughout the country, they're a *lot more price conscious today.* They're also doing a lot more comparison shopping, are more difficult to trade up, and seem to be doing much less impulse buying.

The overall picture we get from retailers around the country is that the job of selling today's consumer is as tough as it has ever been . . . maybe tougher.

Where do you fit in? For a revealing look at retailer attitudes, read this feature.

Focus

59

Electronic Games

Demand continues to outpace supply in non-video electronic games, forcing some retailers to revamp Christmas merchandising plans.

Freezers

What's hot and cold and a pleasant, if somewhat surprising, plus on the major appliance scene? It's freezers—the latest thing in inflation fighting.

Personal Care

It takes more than a new hairdo to make one feel good and that may be the secret to selling personal care today.

The approach to successful selling this category today is "head-to-toe."

Prerecorded Videocassette Report

54

In the beginning, it was easy.

As a new prerecorded videocassette dealer, you carried just about everything available. Now, however, something new comes in every day and inventory is a problem. What to do?

Some dealers don't touch prerecorded programs. Others just call it a pain. A few think they have the solution—such as rack jobbing.

Trendings

6

- VCR still selling nicely as dealers await 6-hour system.
- Hifi dealers try a little bit of everything to move product.
- Third quarter has been partularly good for freezer sales.
- Another strong fourth quarter for personal electronic sales.
- Trend is good for high ticket electric housewares.
- The magic word for fall nonelectric housewares promotions is *gourmet.*

Happenings

Raytheon Corp. would emerge as the fifth largest major appliance producer under an agreement to purchase part of its operations from McGraw-Edison 84
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Major appliances and home entertainment comprised a smaller share of furniture store sales last year 81
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Sharp Electronics executive says VCR sales could reach possible 1 million units in 1980.....88

PULSE

There's a lot of movement in clocks right now, mainly because Christmas is coming and clocks are a strong gift item. But the new models and styles have been important to sales all year with quartz travel models ringing up good sales. What else is ticking?

80

From the Capital

4

A dramatic new land use policy being directed from the White House will have a lot to do with where new retail outlets are located in the year ahead. The idea is to give a big boost to the development of downtown shopping areas.

Product Picture

Electronics.....66-71
Housewares 72-76
Major Appliances 77-79

Coming in November!

★ ***The fifth annual Major Appliance Statistical & Marketing Report summing up the hot products and trends for 1979.***

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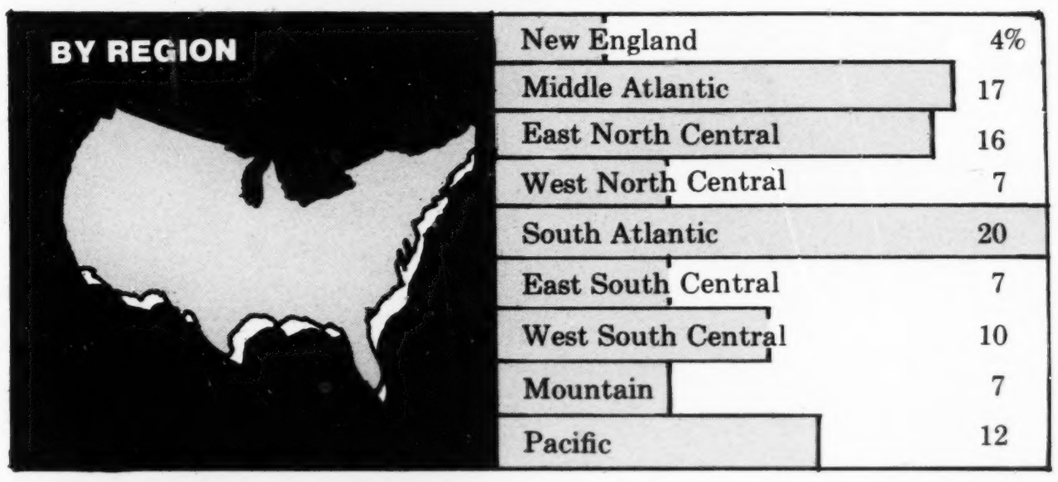
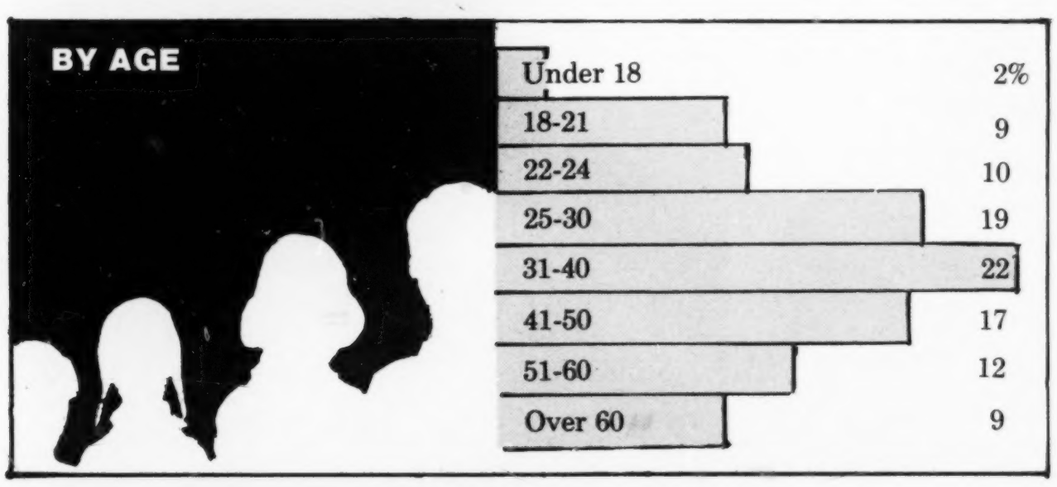
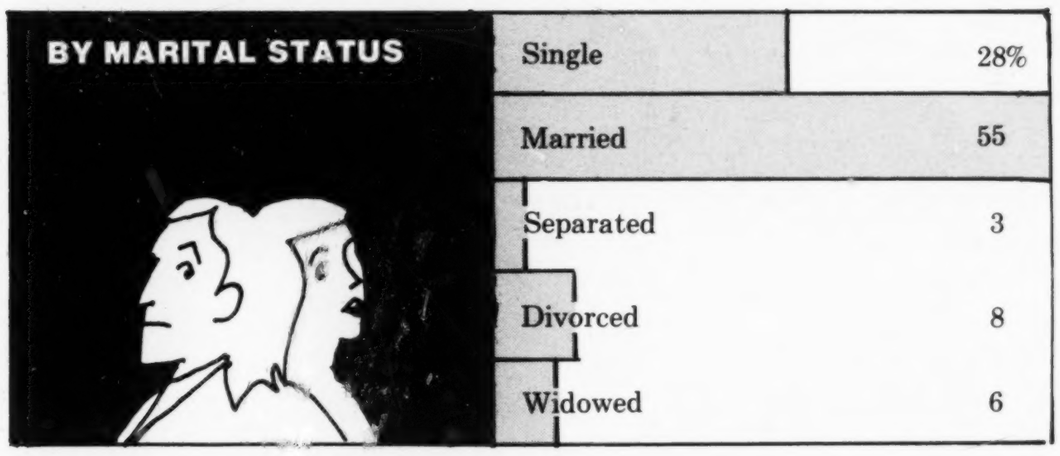
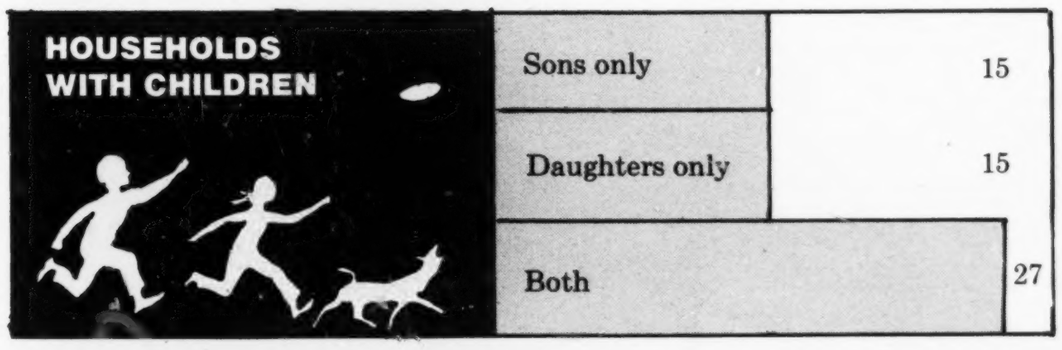
7th National

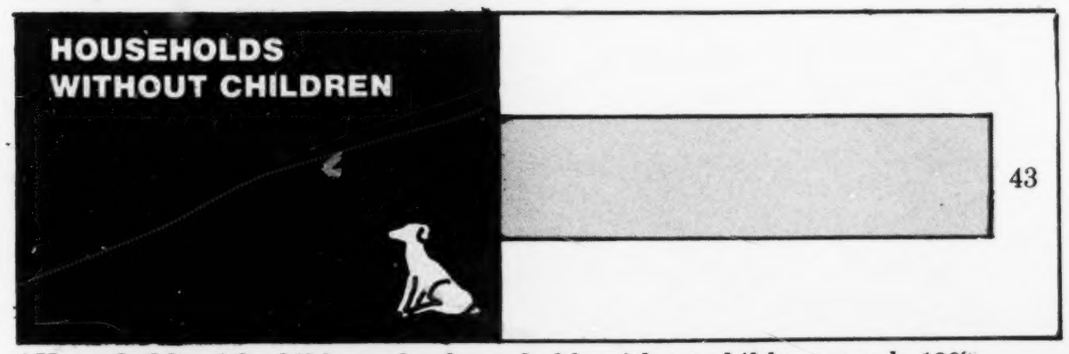
Demographic Breakdown











**Households with children plus households without children equals 100%.*

Merchandising's seventh national Consumer Survey—based on personal interviews with 1,020 consumers in all of the nation's nine demographic regions—is, in one sense, simply the latest in a series dating back to April 1976. But in another sense, it is a lot more.

What is especially noteworthy was the outpouring of feelings, strong attitudes which reflect not only on specific products and their marketplace, but also seem to mirror the mood of the country in general.

Our correspondents reported that people appeared to be more eager to respond to the questionnaires than ever before. They seemed to want to make some kind of statement about the economy, about government, about lifestyles.

Many consumers seem to feel that many of the products being offered them are unnecessary, energy-wasting and extravagant. Some claim that manufacturers don't stand behind their products, that salespeople lie to them, that warranties are written "in fine print" so as to cheat the public.

Others generally believe that the energy crisis as proclaimed by the government is 'phoney," that runaway inflation and spiralling taxes are examples of gargantuan government ineptitude, if not downright fraud. The word "ripoff" tumbled from consumers' lips again and again. In short, there was expressed a cynicism, a hostility and sense of betrayal unprecedented in any of the earlier studies.

A young married working woman in North Bend, WA said: "I would gladly invest in all the newest gadgets, whether they be appliances or entertainment things such as stereos and videotape recorders and all the helpful kitchen appliances such as a microwave oven, but the biggest problem is inflation—how do you increase your income enough to keep up with the new products AND the high prices?"

And a laborer in his mid-thirties, divorced and the father of three, in Buffalo asserted: "Prices of everything—food, appliances, cars, even liquor—are just too high. I'd like to buy energy-saving prod-